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## Information

### *Fiscal Policy and Planning Committee of the Whole*

### **Proposed Budget Change Proposal/Concept For the 2007-08 Governor's Budget**

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**Executive Summary:** This agenda item presents a proposed Fiscal Year 2007-08 Budget Change Proposal/Concept (BCP). If approved, the proposal/concept will be developed into a full BCP and submitted to the Department of Finance in September, as part of the traditional FY 2007-08 budget development process.

**Recommended Action:** Direct staff to develop a full BCP and present an updated BCP summary at the September Commission meeting for approval.

**Presenter:** Crista Hill, Division Director, Fiscal and Business Services Section

#### **Strategic Plan Goal: 2**

**Continue to refine the coordination between Commissioners and staff in carrying out the Commission's duties, roles and responsibilities.**

- Conduct periodic review of the efficiency of the day-to-day operations and financial accountability of the Commission.



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## **Proposed Budget Change Proposal/Concept for the 2007-08 Governor's Budget**

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### **Introduction**

Staff is presenting a proposed 2007-08 Budget Change Proposal (BCP) in the form of a brief two page summary for the Commission to review. An updated BCP summary will be presented at the September Commission meeting for approval. Based on the Commission's direction, staff will develop a full BCP for submittal to the Department of Finance by the September 13<sup>th</sup>, 2006 deadline.

### **Background**

The BCP for Fiscal Year 2007-08 is the Certification, Assignment and Waivers Division (CAW) Zero Based Budget (ZBB). The BCP will ask the Department of Finance to staff the CAW Division based on the workload data as a result of the findings in the ZBB. The current ZBB demonstrates the need for nine permanent full time positions in CAW to meet its essential functions of a 75-working day processing timeframe, maintain a call center and respond to emails. The exact number of positions may change based on an updated ZBB. The BCP request is for an appropriation of approximately \$800,000.

The proposed 2007-08 BCP summary is provided on the next page for your review.

Staff is available to answer any questions the Commission may have.

## **BUDGET CHANGE PROPOSAL SUMMARY FISCAL YEAR 2007-2008**

**PROPOSED TITLE:**    **Certification, Assignment & Waivers Division Zero Based Budget**

### **SUMMARY:**

In the fall of 2005, the Certification, Assignment and Waivers Division (CAW) was asked by the Office of the Secretary for Education and the Department of Finance to prepare a Zero Based Budget (ZBB) to determine appropriate staffing levels due to the implementation of the Teacher Credential Service Improvement Project (TCSIP). The budget was completed in January 2006; however, it was too late to be considered for the 2006-2007 fiscal year. For fiscal year 2006-07, the Department of Finance redirected four consultants from the Professional Services Division (PSD) and converted them into seven positions for CAW to assist in the reduction of the workload. These positions convert back to PSD on July 1, 2007 which will then create a staffing shortage in the CAW Division. The ZBB is being updated for fiscal year 2007-08 to reflect technological enhancements and efficiencies.

### **Issue Statement:**

In February 2005, the third phase of the Teacher Credential Service Improvement Project (TCSIP) was implemented. The third phase of the project was a complete redesign of the Commission's credentialing database. The implementation process required new system training of all Certification staff. As we continued to employ the available features of the new system and ascertain efficiencies, credential applications continued to be submitted which created a backlog of applications. As of July 1, 2006 there were 60,000 applications pending processing.

At the time of the implementation of TCSIP, the Certification, Assignment and Waivers Division (CAW) had also experienced a significant reduction in staff; twenty positions had been eliminated from the Division over the past three years. The reduction in positions coupled with the following factors have lead to the increase in the backlog:

- The loss of fully trained staff members and the due to the uncertainty of the future of the Commission;
- The restructure of staff to better utilize their expertise;
- The considerable learning curve and complexity of becoming fully trained as a credential analyst; and
- The reallocation of staff to conduct training.

### **Concept:**

Update the Zero Based Budget for the CAW Division to reflect the anticipated workload for fiscal year 2007-08.

**Justification:**

The CAW Division will lose seven positions in 2007-08 that were on loan from the Professional Services Division. In order to maintain a 75-working day processing timeframe, staff a call center for 5 hours each day and respond to emails, the CAW Division will not be able to sustain its workload with reduced staff. The ZBB audits every activity in which CAW engages and has accounted for the number of work units the Division processes and the amount of time it takes to process them.

**Benefits:**

The primary benefit is to be able to meet the 75-working day processing timeframe. The ZBB does not address adding customer service enhancements like additional phone hours, county and university liaison services or a reduced response time to emails. The ZBB is based on the staff needed to maintain current customer services.

**Budget Assumptions:**

Based on the 2006-07 ZBB, the CAW Division needed nine additional staff in fiscal year 2007-08, this need was met partially by the redirection of staff from PSD. In FY 2007-08 those positions will convert back to PSD leaving a need for additional staff in the CAW Division. The estimated cost for nine positions is \$800,000.